

## Message Text

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ACTION EA-09

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-08 NSC-05  
TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00  
FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01  
L-03 H-01 PA-01 PRS-01 AGRE-00 /083 W  
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R 010825Z MAR 77  
FM USLO PEKING  
TO SECSTATE WASHDC 7302  
INFO AMCONSUL HONG KONG

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E.O. 11652: N/A  
TAGS: ETRD, CH, US  
SUBJ: US BUSINESSMEN VISITORS TO PRC: FEBRUARY

1. SUMMARY. THE HEALTHY FLOW OF US IMPORTERS VISITING PEKING IN FEBRUARY WAS COMPLEMENTED BY AN INFLUX OF EXPORTERS TRYING TO SELL US TECHNOLOGY. THE ONLY CONTRACT SIGNED DURING FEBRUARY WAS BETWEEN PULLMAN-KELLOGG AND TECHIMPORT, BUT THE MACHINER CORPORATION IS CONDUCTING NEGOTIATIONS WITH IBM AND INTERDATA AND HAS HELD POSITIVE DISCUSSIONS WITH OTHER US COMPANIES. TEXTILE PRICES REMAIN HIGH. END SUMMARY

2. PETER DOBI, SENIOR PROJECT MANAGER OF PULLMAN-KELLOGG, CONCLUDED A CONTRACT WITH THE TECHIMPORT CORPORATION FOR ADDITIONAL WORK AT KELLOGG'S FERTILIZER INSTALLATIONS IN CHINA. THREE MORE PULLMAN REPS ARRIVED IN THE PRC FEBRUARY 28 TO BEGIN NEGOTIATIONS ON CONTRACT BY WHICH KELLOGG WOULD CONVERT THE PLANTS AT CHICHIANG, HUPEI AND YUEYANG, HUNAN TO THE USE OF NAPTHA FEEDSTOCK AS WELL AS NATURAL GAS. ALTHOUGH THE CHINESE APPARENTLY ANTICIPATE SHORTAGES AT THOSE TWO SITES, THE LAST THAT

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WILL BE BUILT, BOTH DOBI AND KELLOGG PERMANENT REP JANET SAY THERE IS NO SHORTAGE OF NATURAL GAS AT THE OTHER KELLOGG PLANTS.

3. IBM REPRESENTATIVES, ACCOMPANIED BY KEN MORSE AND MARY WADSWORTH OF CHASE PACIFIC TRADE ADVISORS, CONTINUED THEIR NEGOTIATIONS WITH THE MACHINERY CORP-

ORATION. ALSO DISCUSSING COMPUTER SALES WAS A DELEGATION FROM INTERDATA, A SUBSIDIARY OF PERKIN-ELMER, LED BY NICHOLAS G. BARK, MANAGING DIRECTOR OF INTERDATA'S EUROPEAN COPERATIONS (SLOUGH, ENGLAND).

4. I.C.A. PRESIDENT, DR. S.J. WANG, (WASHINGTON, D.C.) IN FEBRUARY MADE THE FIRST OF TWO TRIPS THIS SPRING TO SUPERVISE THE FINAL DELIVERIES OF BUCYRUS-ERIE MINING EQUIPMENT AND WABCO OFF-HIGHWAY TRUCKS. AFTER THE ARRIVAL OF OILWELL WELLHEAD EQUIPMENT FROM CAMERON IRON AND STEEL AND THE GEOPHYSICAL SURVEY EQUIPMENT FROM TEXAS INSTRUMENTS LATER THIS YEAR FREES HIM TO WORK ON NEW SALES, WANG EXPECTS TO CONCENTRATE ON SALES OF PROCESSING EQUIPMENT AND PETRO-CHEMICAL FACILITIES AS WELL AS REORDERS FROM BUCYRUS-ERIE AND WABCO. HIS DISCUSSIONS HAVE CONVINCED HIM THAT CHANCES ARE GOOD FOR INCREASED SALES IN THE NEXT FEW YEARS.

5. IN ADDITION TO DISCUSSING SALES OF MINING AND CONSTRUCTION EQUIPMENT AND ROCK CRUSHERS WITH THE MACHINERY CORPORATION, DON ALTMAN OF ALTMAN, INC. (NEW YORK) FOLLOWED UP ON THE SHIPBUILDING SEMINAR HE ORGANIZED FOR HYDRONAUTICS AT THE CANTON FAIR LAST FALL. HE ALSO CONTINUED DISCUSSIONS OF A SECOND SEMINAR TO COMPLEMENT THE ONE HELD IN PEKING IN MARCH 1976 BY THE BLISS CANNING COMPANY. THIS SECOND SEMINAR WOULD COVER ALL ASPECTS OF CANNING -- FILLING, SEALING, ETC. -- RATHER THAN THE CANNING PROCESS ALONE.  
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6. UNITED TECHNOLOGIES INTERNATIONAL PRESIDENT ROBERT BURGESS AND THREE OTHER REPS ARRIVED IN PEKING IN LATE FEBRUARY. ACCOMPANIED BY USLO OFFICER DURING THE INITIAL SESSION, THE GROUP MADE PRESENTATIONS ON OTIS ELEVATORS, MARINE DIESEL ENGINES AND PRATT AND WHITNEY AIRCRAFT ENGINES. A SPARE PARTS AGREEMENT FOR BOEING 707 ENGINES IS ALSO BEING NEGOTIATED.

7. THE FINAL WEEK OF THE CARPET FAIR HELD IN PEKING BY THE NATIVE PRODUCE CORPORATION WAS ATTENDED BY SEVERAL BUYERS INCLUDING HERB MILLS OF VALLEY TRADING COMPANY; DON ALTMAN OF ALTMAN, INC., WHO BUYS ANTIQUE DESIGNS FOR B. ALTMAN DEPARTMENT STORES; DR. S.J. WANG OF I.C.A., WHO BUYS IN VERY LARGE QUANTITIES FOR EINSTEIN MOOMJI; AND LOU SHANKS AND JIMMY CHEN OF WJS MARKETING.

8. THE ARTS AND CRAFTS CORPORATION DEALT WITH SEVERAL US VISITORS. CHARLES ABRAHAMS OF THE CHINA TRADE CORPORATION (NEW YORK) BOUGHT SILK TAPESTRIES AND LOOKED AT WOODBLOCK PRINTS AND PAINTINGS. WALTER AND FREDRIC BELL OF W. BELL AND COMPANY (ROCKVILLE, MARYLAND) AND

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AARON SHINBERG OF THE ORIENTAL TRADING CORPORATION (BOSTON) ALSO BOUGHT HANDICRAFTS LAST MONTH. BEVERLY AUSTRIAN LED A GROUP OF GREAT SINO TRADING, INC. (NEW YORK) WHICH INCLUDED JAMES LALLY OF SOTHEBY PARKE BERNET, INC., WHO INTENDS TO PURCHASE HIGH-VALUE CHINESE ANTIQUES.

9. PLAINS COTTON ASSOCIATION REP HENRY PATTON WAS IN PEKING ONCE MORE FOR ANOTHER ROUND IN HIS COMPANY'S CLAIM NEGOTIATIONS WITH THE TEXTILE CORPORATION. AT THE CONCLUSION OF THE VISIT, THE TEXTILE CORPORATION WAS STILL OFFERING ONLY \$1 MILLION OF THE \$2 MILLION CLAIMED, AND NO SETTLEMENT WAS REACHED. A NUMBER OF US IMPORTERS TOLD US CHINESE TEXTILE PRICES, PARTICULARLY IN GREIGE GOODS, WERE AT LEAST TEN PERCENT TOO HIGH NOW. TO OUR KNOWLEDGE, FEW SALES WERE MADE TO US BUYERS.

10. THE CEROILFOODS CORPORATION HOSTED REPRESENTATIVES OF SHEARMAN, HAYDEN, STONE, INC., WHO WANTED TO DISCUSS A VARIETY OF COMMODITY DEALS, INCLUDING COTTON, SUGAR AND GRAIN. ONE OF THE FEW US SALES IN FEBRUARY WAS ALSO MADE TO THE CEROILFOODS CORPORATION BY ALTMAN, INC.: SEVERAL TONS OF UNPROCESSED ELK ANTLER. GATES

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## Message Attributes

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